

## Diversity, Equity and Inclusion challenges in Green Economy

Workforce Integration Network (WIN)

### INDUSTRY OVERVIEW

The UK's green economy, faces significant challenges in achieving Equity, Diversity and Inclusion. Despite its growth and the potential to drive societal transformation, systemic inequities limit access to opportunities within the sector for underrepresented groups. These disparities highlight the sector's need for equitable reforms. Additionally, representation in leadership roles within the green economy remains low, with minimal focus on inclusive decision-making processes that engage diverse perspectives. Businesses and policymakers must address these challenges collaboratively. Efforts should include developing inclusive recruitment strategies, supporting diverse suppliers, and ensuring equitable community access to green technologies and resources. These actions are essential for fostering innovation, resilience, and public trust in a sector that plays a critical role in the UK's path to net zero.



### KEY DATA POINTS

- In 2020, energy-efficient products and waste management were the leading areas of employment within green jobs, with approximately 113,000 and 97,000 full-time employees, respectively. Together, these two sectors made up about 40% of the total workforce in green jobs for that year (Office for National Statistics, 2023).
- A majority of the green jobs are found in STEM (predominantly engineering and IT related occupations), where women have been traditionally underrepresented (PwC, 2023). Nesta found the pay gap for women in green jobs (20.9%) is more than double that for women in 'brown' ones (9.9%) because they are more often in supporting or administrative roles (Murray, 2022).
- When talking about employment in the greenest sectors in London, Black, Asian or minority ethnic groups only represent 30% of the workforce. Within the green economy, the energy sector employs only 6% from Black, Asian or minority ethnic, followed by buildings and landscapes at 28% (PwC, 2023).

## CHALLENGES

### Engagement and Recruitment

Green jobs require specialised skills in sustainability and other areas; therefore, it is limited to technically demanding sectors. The work experience requirement for eligibility for green jobs is also comparatively higher, making it tough to enter.

40% of green jobs advertised in London, Southeast and Scotland belong to occupational skill level 4. Compared to the general workforce, a larger proportion of employees in the green sector have obtained a university degree. Whereas entry level green jobs are more generic and focus less on specialised areas, as most of the learning in this sector is done on the job.

According to research (Waste Management World, 2024), Of the 150,000 people employed in this sector in the UK, 97% are white, significantly higher than the national average of 47%. This highlights the sector's need to foster greater inclusivity and encourage broader participation. The perceived and actual lack of diversity stands as a barrier to 32% of black respondents and 29% of Chinese respondents from entering the sector. The lack of skills stems from the fact that 70% of the people surveyed did not receive any career advice to enter the sector.

### Suppliers

Diverse suppliers face significant entry barriers, as larger corporations often favour established networks, which are less accessible to minority-owned businesses.

Partnering with a diverse set of suppliers, including those owned by women and minorities, contributes to a more inclusive economy by distributing opportunities more fairly across different groups. This approach not only enhances economic equity but also brings a variety of perspectives and innovations to the supply chain (Sheikh, 2024).

### Commitment and Collaboration

A key challenge in the green sector involves a disconnect between the environmental efforts of consumer-facing companies and those of their upstream suppliers, like those providing raw materials.

For example, in the household and personal care sector, nearly half (about 45%) of companies with customer-facing roles have set strong emissions goals. However, in related industries like plastics and aluminium, which supply materials for these products, only a small portion (6% in plastics and 11% in aluminium) have similar climate commitments. This trend is seen across other value chains as well, such as automotive, food and beverage, and electronics. This gap means that downstream companies might struggle to find eco-friendly materials and services in sufficient supply to meet their sustainability goals (Lesser, 2023).

## **Retention and Progression**

Job security in the green sector is one of the main concerns for people from the working class. This arises from the fact that the most of entry level jobs are short termed or on contract basis (Green Alliance, 2024). Many women in the green sector often reach a point and then leave or shift laterally instead of advancing in the sector. Research also points to a 'diversity and inclusion delivery gap' where companies treat inclusion policies as 'tick-box' exercises (Murray, 2022).

The issue of pre-existing cultural and social norms prevails, leading to underrepresentation of women in this sector, especially in senior management and corporate leadership. The 80 largest energy corporations in the UK employ only 29% of women for board positions. The lack of representation at senior levels, hinders women at entry level jobs in this sector to progress in their careers as they do not have access to mentors, role models and sponsors (PwC, 2023).

There was also a difference in quality of green occupations that were taken up by BAME individuals compared to their white counterparts. While only 37% of the green jobs that require a skill classification level of 3 or 4 were taken up by BAME individuals, 45% of them were taken up by people from White backgrounds despite having a lower qualification level on average (PwC, 2023).

## **Building an inclusive culture:**

Lack of diversity in the sector is off putting for the younger individuals as do not see themselves represented in these sectors (Green Alliance, 2024). This discourages individuals from considering a potential career in the sector.

The 'green divide' between socio economic groups in the sector stands as a barrier in building inclusive cultures. Often programs designed to enhance sustainability fail to address accessibility and equity for marginalised communities.



## KEY TAKEAWAYS

### **Recruitment:**

The UK's green economy, faces significant challenges in achieving Equity, Diversity and Inclusion. Despite its growth and the potential to drive societal transformation, systemic inequities limit access to opportunities within the sector for underrepresented groups. These disparities highlight the sector's need for equitable reforms. Additionally, representation in leadership roles within the green economy remains low, with minimal focus on inclusive decision-making processes that engage diverse perspectives. Businesses and policymakers must address these challenges collaboratively. Efforts should include developing inclusive recruitment strategies, supporting diverse suppliers, and ensuring equitable community access to green technologies and resources. These actions are essential for fostering innovation, resilience, and public trust in a sector that plays a critical role in the UK's path to net zero.

### **Bridging the divide:**

Inequalities in accessing clean and green technologies are aggravating divides between socio-economic groups. Many communities lack awareness or the means to adopt sustainable solutions, such as energy efficiency upgrades or renewable energy systems. Businesses and governments share responsibility for addressing these disparities. Businesses can play a significant role by developing inclusive outreach strategies and prioritizing solutions that consider the needs of diverse communities. Governments can support these efforts through subsidies and grants designed to close the accessibility gap, ensuring that all societal groups benefit from advancements in green technologies.

### **Reporting and Data Analysis:**

Effective measurement and reporting are critical for driving accountability in diversity and inclusion initiatives. Companies must improve their capacity to track data on recruitment diversity, workforce representation, and access to green technologies. For SMEs without dedicated HR departments, simplified frameworks for tracking and reporting diversity metrics can be invaluable. Collecting and analysing data related to recruitment, inclusion, and community outreach will enable organizations to measure progress, identify gaps, and adjust their strategies, accordingly, ensuring alignment with DEI goals.

**References and further reading: PwC, ONS, GOV.UK**